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January 28, 2013

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Docket No. 2009-226-E: Non-Residential Smart Saver

Dear Mrs. Boyd:

In Docket No. 2009-226-E, the Commission approved Duke Energy Carolinas', Inc. ("DEC" or "the Company") Non-Residential Smart Saver program. The purpose of the program is to encourage the installation of high efficiency equipment in new or existing non-residential establishments by offsetting a portion of the cost through incentive payments.

To ensure the prescriptive program is relevant and offers appropriate incentives, the Company proposes adding a number of new measures to the program. The Company also proposes removing a number of measures. DEC will remove certain lighting measures which have been impacted by the United States Department of Energy's minimum lumen per watt efficiency requirements and replace them with more efficient lighting measures. The Company also proposes removing motor measures. This decision is based on the implementation of the Energy Independence and Security Act of 2007 which increased the standard motor efficiency in the market to the same level of motor efficiency that DEC currently incentivizes in the prescriptive program. Customers will have the option to apply for incentives for motors exceeding standard market efficiency through the custom program.

The Company has attached as Exhibit 1 a document showing the expected program participation level with the proposed changes. Exhibit 2 is the benefit/cost ratio which supports implementation of the measure removals and additions to the program. Exhibit 3 shows the

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measures DEC proposes to add and remove. Based on this information, the Company requests Commission approval of the measure removals and additions proposed herein.

Please let me know if you have questions or comments about this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Timika Shafeek-Horton". The signature is fluid and cursive, with the first name "Timika" being more prominent.

Timika Shafeek-Horton,
Deputy General Counsel

Attachments
cc: Shannon Hudson
Parties of record